



Mike Kadas
Director

Montana Department of Revenue

SENATE FINANCE & CLAIMS

Exhibit No.

2

Date

3-30-15

Bill No.

HB 2

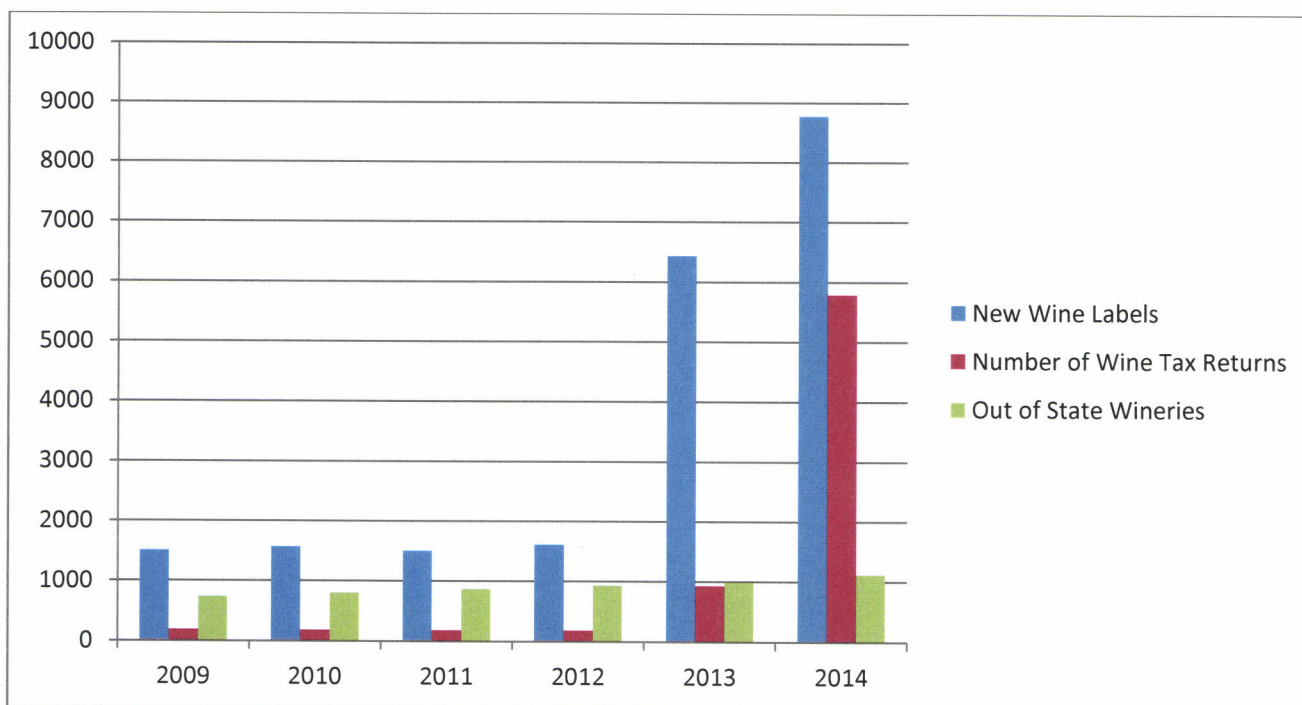


Steve Bullock
Governor

HB 2 Amendment requests:

- **1 FTE Compliance Specialist in Liquor Control Division** \$72,379 proprietary funding in FY 2016 and \$70,165 in FY 2017

This is for wine labels related to the direct shipment of wine legislation passed in the 2013 session. The current staff is required to ensure compliance with the laws and regulations and tax collection. The Liquor Control division currently has a back log of wine label approvals. Besides obtaining licensure, all of these wineries are required to file monthly tax returns.



Revenue Generated from Direct Shipment of Wine

	2013 (Implemented late in year)			2014 (First entire year)		
	Number	Average Cost	Revenue	Number	Average Cost	Revenue
New Wineries (\$0 to \$400)	98	\$150	\$14,700	224	\$150	\$33,600
Direct Shipment Endorsements	311	\$50	\$15,550	482	\$50	\$24,100
Taxes for New Wine Shipped			\$2,689			\$18,382
Total Revenue Generated			\$32,939			\$76,082

- **Rent increase of 2% for Citizen Services & Resource Management and 2-3% inflationary rent increase in the Property Assessment division for private leases.**
- **3 FTE Computer System Analysts in Director's Office** Net decrease to GF of (\$18,415) in FY 2016 and (\$22,791) in FY 2017

This request will reduce expenses and convert the staff augmentation contractor positions to full-time equivalent positions. The staff will support GenTax, eStop, Oasis, Orion Data Portal and Orion Data Service, Liquor Warehouse Management, Performance Appraisal, County Collections and over 25 other applications.

March 30, 2015